

DRAFT

## MEMORANDUM FOR THE RECORD

OF

"MAGNITUDE CONFERENCE"

*Dim H.*  
Present. General Smith, Mr. Jackson, Mr. Dulles, Mr. Wisner,  
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[ ] - in General Smith's office at 3:30 P.M., Tuesday,

29 March 1951.

General Smith opened the conference by stating that the subject was, "Where we go from here, and how far".

General Smith reported that he had recently talked to Mr. Lovett and told him of his concern on this score; that he would undertake jobs if orders were clear. That he personally (General Smith) was willing to "run the covert war", but if he is to do so he must insist that his authority for doing so and the authorization of the requisite support is made completely clear. He stated that he was not concerned about the magnitude of the money ~~involved~~ only involved (which was after all/a drop in the bucket compared to the total defense effort); But, that he was concerned that the authority be clear and that the support (particular in terms of qualified people) be forthcoming.

General Smith said further that he <sup>personally</sup> would rather not be given the job of undertaking to run the covert war. That he would rather that someone else was given this task, ~~or~~ particularly of waging world-wide guerrilla warfare.)

General Smith reported that in reply to the above observations, Mr. Lovett stated that there must be an official "trouble-maker"

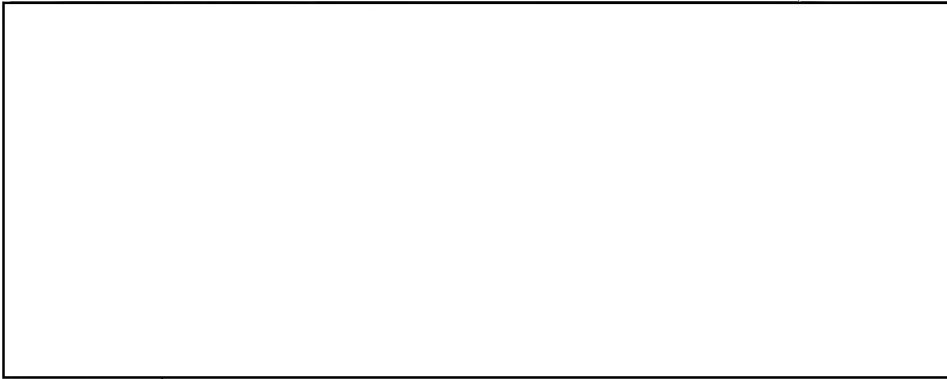
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for the United States to embarrass the Russians and to cause them  
to dissipate their effort; and if the Director of CIA was not the  
appropriate American official to run this trouble-making enterprise,  
who else was? Both Mr. Lovett and General Smith agreed that the  
creation of a <sup>3</sup> "Third Force" (sic) <sup>←</sup> was repugnant to them.

The conclusion of the Smith-Lovett conference was that they  
agreed that they should get together with Mr. Webb and perhaps  
with General Marshall and Mr. Acheson and talk this whole thing  
over.

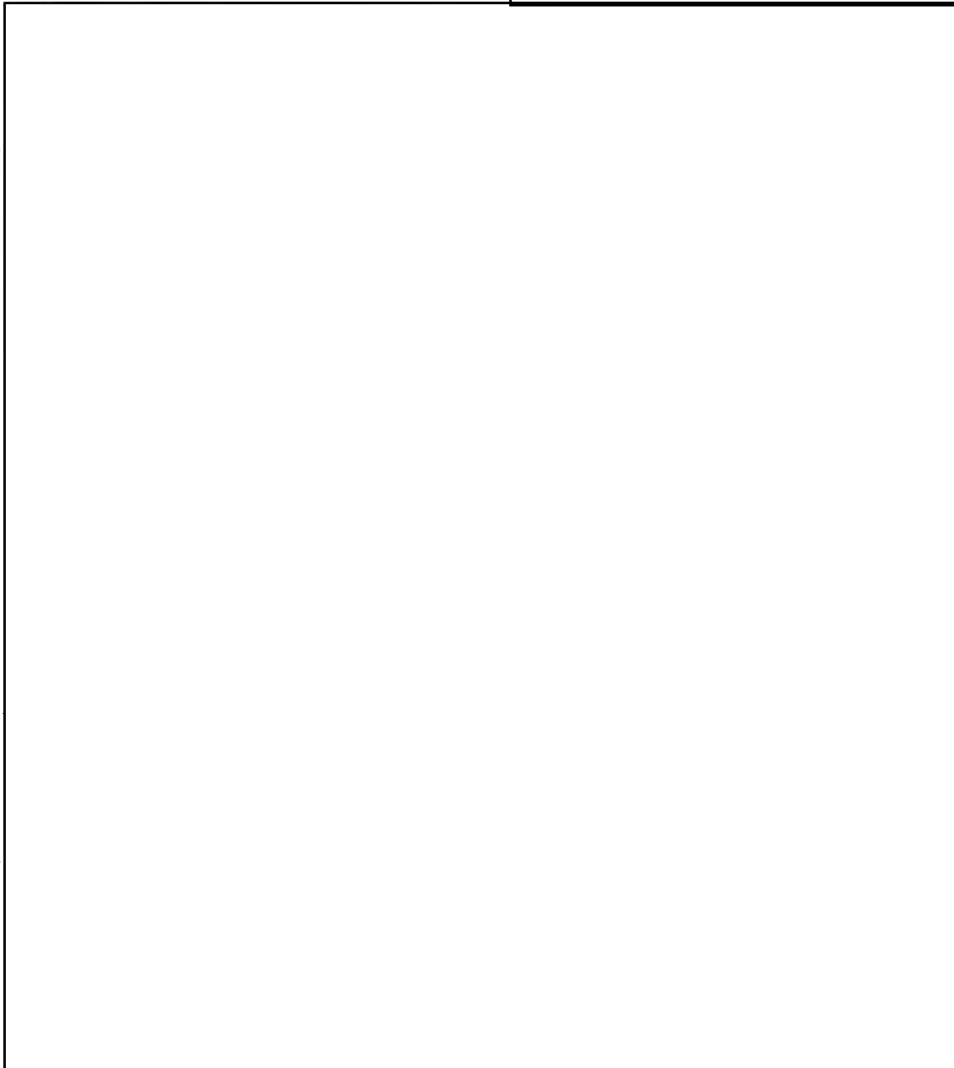
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General Smith stated further that we must first find out what  
our over-all objective is, and he feels that a Presidential deci-  
sion is needed on this and he does not believe there has been ~~X~~  
such a clear Presidential decision; 

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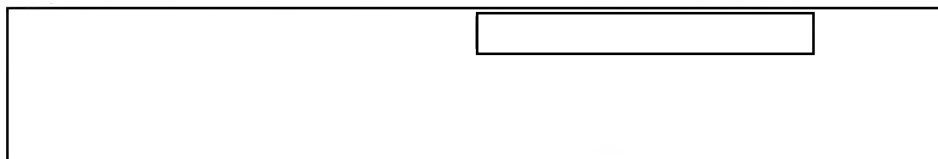


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Mr. Wisner further stated that the obligations already laid upon us by State and Defense and those which were immediately forthcoming will be far beyond our present capacity to implement without greatly expanded machinery. He gave as an example the fact that ~~XXX~~ Admiral Stevens had just informed us that JCS was about to forward to us a paper which would require us to greatly

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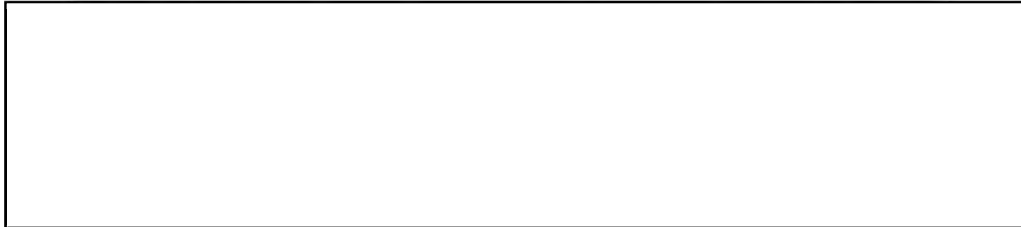
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Army should it elect to move west against us.

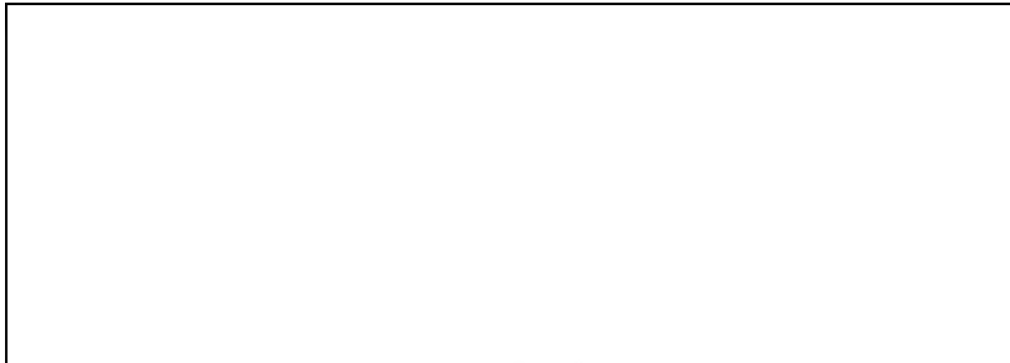
At this point General Smith stated that he was unwilling to accept such a mission from the JCS any longer and that we must get such a major directive directly from NSC since it involved major national decisions of policy which transcended the authority of the JCS and involved serious political questions. He suggested

that we use this forthcoming paper from the JCS as an example and  
as a (pig on which to hang) a paper to NSC raising the whole question  
of the capabilities of our organization for covert warfare. Mr

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probably not ~~XXXX~~ prove big enough. General Smith said the more  
he thought about it the more he was convinced we should raise the  
whole thing in a comprehensive paper to the NSC. He observed that  
the President had just signed the Psychological Warfare Board paper  
and although it wasn't directly in conformance with his ideas, that  
it was a compromise between the positions of ~~the~~ State and Defense  
and he thought was workable. But he stated that although this Board  
would be a help to us in giving us a place to look for more specific  
strategic direction, that we could also expect a pyramiding of  
demands upon us when such a Board got active, and that the whole

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"This being an intelligence agency in the minds of the people and the Congress devoted to giving advanced warning of Soviet intentions so as to prevent any future Pearl Harbor - should we become converted into an agency primarily devoted to covert warfare operations? This was not intended by the law when it was written. Are we justified in taking on the cold warfare under these conditions? It is true that the law has a provision on which we can hang covert operations, but I personally believe that this was intended only to cover the ☐ type of covert intelligence gathering. We already have about all the good people we can get and although we may pick up a few more by increasing our arm twisting, we have just about reached the limit of the size that we can get with good people. Therefore, should we assume the additional responsibility which we know will be beyond our capacities. If left to me, I would not take the responsibility. I believe it would be doing a disservice to the Intelligence Agency. The operational tail will wag the intelligence dog. The top people will be forced to take up all their time in the direction of operations and will necessarily neglect intelligence. I think that this would be inconsistent with my responsibilities to the people and the Congress in entering a strong intelligence agency to prevent another Pearl Harbor."

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At this point Mr. Dulles stated that we had to face the question of what was the alternative to keeping covert warfare in CIA. He stated that if there were a separate agency set up for covert warfare and the covert intelligence was kept in CIA, it would double the problem of finding good people because we would have to find the same type of people (i.e., those skilled in covert activities) to staff up two entirely separate agencies and that this would aggravate rather than help solve the ~~XXI~~ problem.

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Defense (Comptroller) - Mr. McNeil - had recently stated that he thought that the Defense Department should bear the budget burden for the majority of covert warfare as well as the budget defects. He also stated that the major expense would be procurement of materiel and supply and maintenance of equipment to forward bases, and that he also felt this would be an appropriate function of the Defense Department. On this plan OPC would serve merely as the very front line or "cutting edge" of a much larger effort for which Defense would bear the burden. He cited as an example of action already taken in this direction the fact that the United

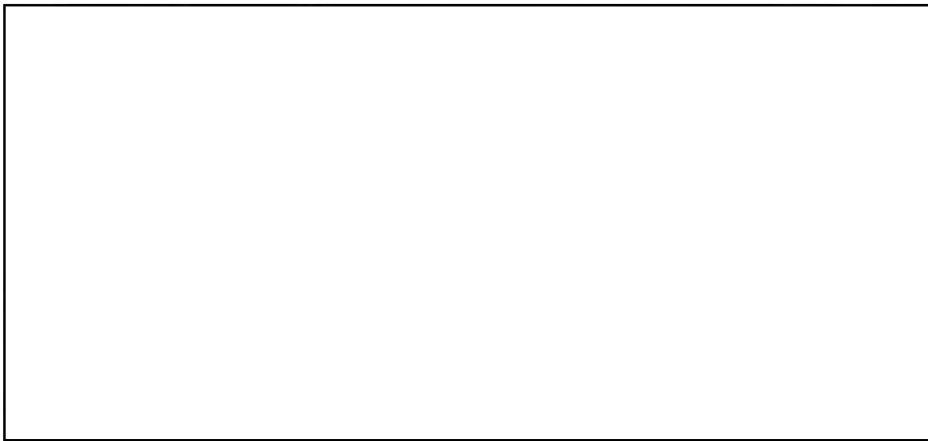
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Mr. Wisner stated as a further example ~~XXX~~ of the possibility of licking this problem with the type of machinery which can conceivably be set up in CIA, the precedence and techniques being developed in connection with the current project of supporting

25X1C  He explained that in the negotiations taking place and the arrangements being made for this

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General Smith replied that of course all of these arrangements could work out just as well if covert operations were under a separate agency as if they were under Intelligence, and that it does not meet his objection to having the Intelligence Agency become primarily an operating headquarters rather than an Intelligence Office. He again reverted

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what he was concerned with and he stated that in the first place there had ~~been~~ to be a National war plan which, as far as he could find out, was not existent; and then the Military and CIA would have to sit down on a joint planning basis and write up the procurement responsibilities, ~~the~~ the training responsibilities, the personnel responsibilities, and the command responsibilities.

He stated that the days when the military can just <sup>"wave"</sup> ~~"wave"~~ a mission over to us" is now over, and that this type of allocation of mission to CIA/OPC doesn't mean a thing to him and that it is just an example of the old Army game of passing the buck.

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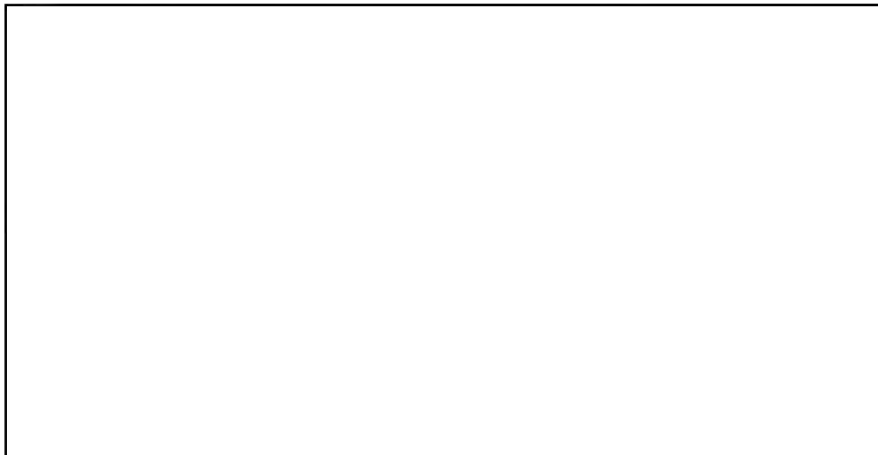
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because of the

political jealousies obtaining between a State and Defense it would be unlikely that the three members of the Security Council would ever agree on an allocation of this responsibility to any agency other than CIA. He stated that in his opinion what would

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General Smith stated that he felt we have been all right as far as we've gone and that it has been proper for us to accept everything that they have handed us to date, but he agrees that we must take up the question of where we go from here because we have reached the limits of the capabilities of the CIA as presently constituted.

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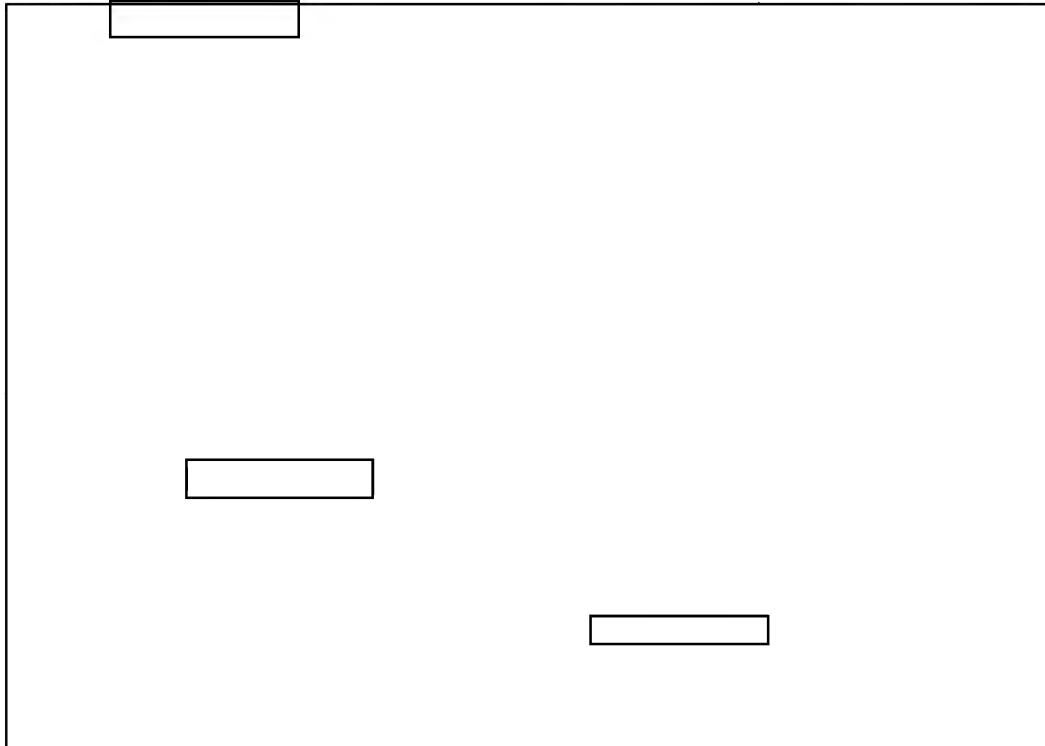
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General Smith re-stated his concern over getting the proper people, that we might be able to get the logistical support from the military and he didn't think there was going to be any trouble over money, but that he felt that we had to get highly qualified staff officers and executives from the military and that he just didn't see it in the cards the military letting such people come

over to us.  
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attempt.

Mr. Jackson re-stated that he felt that all of this discussion was academic and that CIA had the responsibility and would continue to have the responsibility.

(At this point there was an interruption by a telephone call to the Director on the subject of NSC 10/3, and he stated that 25X1A9A

[redacted] had written our position on 10/3 and that he didn't know or care who had written the JCS position".)

General Smith resumed the conversation by stating that he was willing to go ahead with the things we <sup>budgeted</sup> ~~budgeted~~ for in the '52 budget and to expand at the [redacted] expansion provided for in that budget, but that meanwhile we had to get this whole matter cleared up with NSC.

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General Smith then instructed Mr. Wisner to draft a paper for NSC substantially as follows: -

General Smith resumed the conversation by stating that he was willing to go ahead with the things we budgeted for in the '52 budget and to expand at the [ ] expansion provided for in that budget, but that meanwhile we had to get this whole matter cleared up with NSC.

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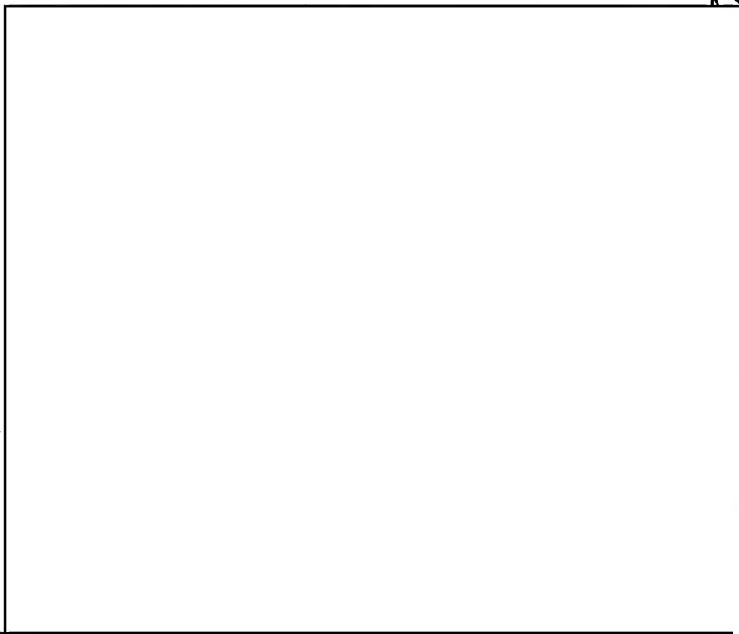
"Point out that under the provisions of NSC 10/2 and 68 we are engaged in the following missions:

(Here list the missions and current undertakings of OPC.)

"The above missions are requiring an increase of CIA personnel of so many, and a budget increase of so many dollars. (Make sure to add on here the observations with regard to defense funds and contingency funds.)

"The following projects are under consideration and will very probably become a demand on OPC. It is estimated that these additional obligations will require: -

so many people  
so much money.

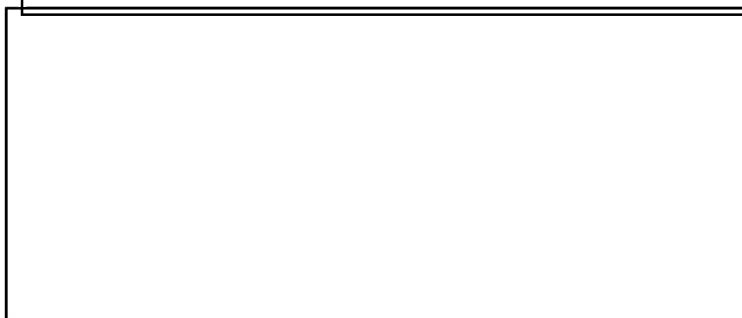


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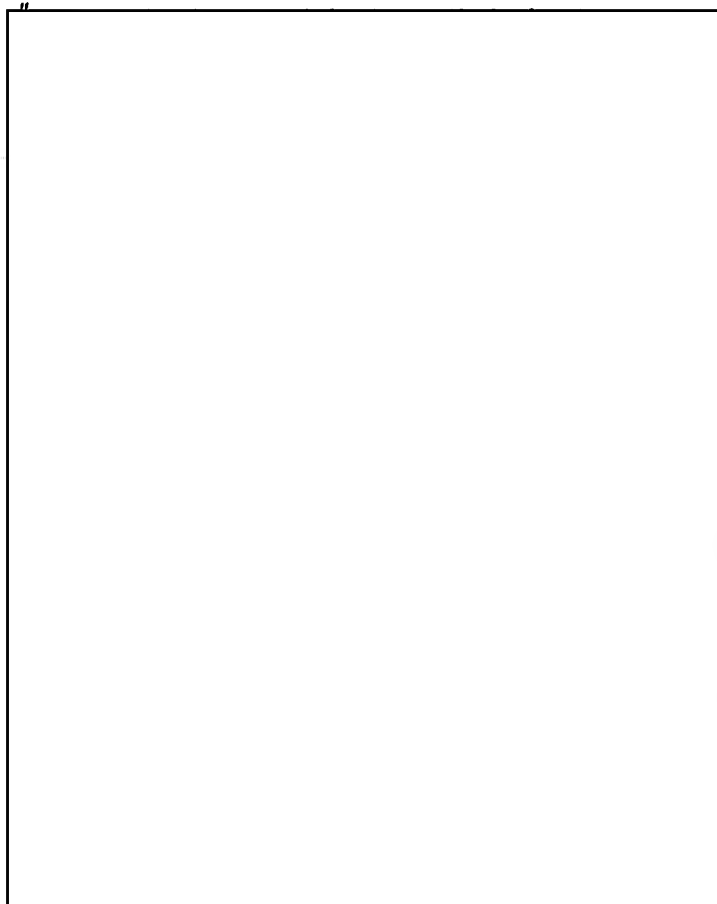
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General Smith closed the conference by observing that he felt it awfully important that we not put ourselves in the position of asking for an empire. That he would much rather have this thrust upon us. Mr. Dulles stated that General McClure was standing ready to jump into any vacuum which we might create by offering to abdicate, and General Smith laughed and stated that General McClure might jump into the breach but that, if he knew McClure, and he thought he did, McClure would miss the breach. This ended the conference.

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